

FISCAL NOTE

SB 2855 - HB 2959

February 24, 2006

SUMMARY OF BILL: Raises from \$400 to \$1,200 the amount of property damage that must be sustained before an operator of a motor vehicle must report the matter to the Department of Safety. Allows all parties involved in a motor vehicle accident, where property damage exceeds \$1,200, to agree in writing not to file an insurance claim and not have a written report of such accident forwarded to the Department of Safety.

ESTIMATED FISCAL IMPACT:

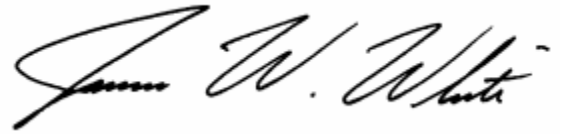
Decrease State Revenues - \$111,000

Assumptions:

- Approximately 1,700 persons have their license revoked on an annual basis for failure to establish financial responsibility for damages in an amount of less than \$1,200.
- Under the provisions of this bill, these accidents will not be reported to the Department of Safety, therefore reducing the number of revoked licenses. As a result the Department of Safety will not collect reinstatement fees.
- A decrease in state revenues from not collecting reinstatement fees (1,700 x \$65 = \$111,000).
- It is assumed that fewer claims filed with insurance companies will keep the cost of insurance premiums from rising as a result of an accident. To the extent that claims on accidents where the property damage exceeds \$1,200 are not filed with insurance companies, the state could possibly forgo some revenues collected from premium taxes. Such amount is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director